The Society for Industrial and Organisational Psychology of South Africa
Annual financial statements
for the year ended 31 July 2015

CMA

Certified Master Accountants (Proprietary) Limited
Professional Accountants (SA)
Issued 30 May 2016

The Society for Industrial and Organisational Psychology of South Africa

Annual Financial Statements for the year ended 31 July 2015

General Information

Country of incorporation and domicile	South Africa
Nature of business and principal activities	A professional society for non-profit
Postal address	PO Box 781615 Sandton Gauteng 2146
Bankers	Standard Bank
Reviewer	Certified Master Accountants (Proprietary) Limited Professional Accountants (SA)
President	Me. Kim Elizabeth Dowdeswell
Treasurer	Mr. Andre Lombard

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The reports and statements set out below comprise the annual financial statements presented to the :

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Level of assurance

These annual financial statements have been independently reviewed in compliance with the applicable requirements of the entity's constitution.

Preparer

Mr. Andre Lombard

Published

30 May 2016

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Board Members' Responsibilities and Approval

The board members are required by the entity's constitution, to maintain adequate accounting records and are responsible for the content and integrity of the annual financial statements and related financial information included in this report. It is their responsibility to ensure that the annual financial statements fairly present the state of affairs of the entity as at the end of the financial year and the results of its operations and cash flows for the period then ended, in conformity with the entity specific reporting framework.

The annual financial statements are prepared in accordance with the entity specific reporting framework and are based upon appropriate accounting policies consistently applied and supported by reasonable and prudent judgements and estimates.

The board members acknowledge that they are ultimately responsible for the system of internal financial control established by the entity and place considerable importance on maintaining a strong control environment. To enable the board members to meet these responsibilities, the board members sets standards for internal control aimed at reducing the risk of error or loss in a cost effective manner. The standards include the proper delegation of responsibilities within a clearly defined framework, effective accounting procedures and adequate segregation of duties to ensure an acceptable level of risk. These controls are monitored throughout the entity and all employees are required to maintain the highest ethical standards in ensuring the entity's business is conducted in a manner that in all reasonable circumstances is above reproach. The focus of risk management in the entity is on identifying, assessing, managing and monitoring all known forms of risk across the entity. While operating risk cannot be fully eliminated, the entity endeavours to minimise it by ensuring that appropriate infrastructure, controls, systems and ethical behaviour are applied and managed within predetermined procedures and constraints.

The board members are of the opinion, based on the information and explanations given by management, that the system of internal control provides reasonable assurance that the financial records may be relied on for the preparation of the annual financial statements. However, any system of internal financial control can provide only reasonable, and not absolute, assurance against material misstatement or loss.

The board members have reviewed the entity's cash flow forecast for the year to 31 July 2016 and, in the light of this review and the current financial position, they are satisfied that the entity has or has access to adequate resources to continue in operational existence for the foreseeable future.

The independent reviewer is responsible for independently reviewing and reporting on the entity's annual financial statements. The annual financial statements have been examined by the entity's independent reviewer and their report is presented on page 4.

The annual financial statements set out on pages 6 to 15, which have been prepared on the going concern basis, were approved by the board members on 30 May 2016 and were signed on its behalf by:

Approval of financial statements

Boudewell

President

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Certified Master Accountants (Pty) Ltd.

Professional Accountants

In pursuit of Excellence

Independent Reviewer Report

To the management of The Society for Industrial and Organisational Psychology of South Africa

We have reviewed the annual financial statements of The Society for Industrial and Organisational Psychology of South Africa, set out on pages 7 to 14, which comprise the statement of financial position as at 31 July 2015 and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and the notes, comprising a summary of significant accounting policies and other explanatory information.

Directors' Responsibility for the Annual Financial Statements

The company's board members are responsible for the preparation and fair presentation of these annual financial statements in accordance with the entity specific reporting framework and the requirements of the entity's constitution, and for such internal control as the board members determine necessary to enable the preparation of annual financial statements that are free from material misstatement, whether due to fraud or error.

Independent Reviewer Responsibility

Our responsibility is to express a conclusion on the annual financial statements. We conducted our review in accordance with International Standards on Review Engagements (ISRE) 2400 (Revised), Engagements to Review Financial Statements. ISRE 2400 (Revised) requires us to conclude whether anything has come to our attention that causes us to believe that the annual financial statements, taken as a whole, are not prepared in all material respects in accordance with the applicable financial reporting framework. This Standard also requires us to comply with relevant ethical requirements.

A review of annual financial statements in accordance with ISRE 2400 (Revised) is a limited assurance engagement. The independent reviewer performs procedures, primarily consisting of making inquiries of management and others within the entity, as appropriate, and applying analytical procedures, and evaluates the evidence obtained.

The procedures performed in a review are substantially less than those performed in an audit conducted in accordance with International Standards on Auditing. Accordingly, we do not express an audit opinion on these annual financial statements.

SOUTH AFRICAN INSTITUTE OF PROFESSIONAL ACCOUNTANTS
YOUR WEALTH
Member: ATC135

Individual Members:
sait

Directors:
Maryna Amsenga, Althea Cloete, Muller Coetser, Carmen Coetzer,
Chanelle de Haan, Erica du Toit, Kathryn Erasmus,
Cornell Grewar, Gary Morton, Danie Nelson, Myrtle Oosthuizen, Trinke Swart,
Marinda van der Merwe, Nadine van Dyk

Unqualified conclusion

Based on our review, nothing has come to our attention that causes us to believe that these annual financial statements do not present fairly, in all material respects the financial position of The Society for Industrial and Organisational Psychology of South Africa as at 31 July 2015, and its financial performance and cash flows for the year then ended in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities and the requirements of the entity's constitution.

Certified Master Accountants (Proprietary) Limited
Professional Accountants (SA)

30 May 2016

Board Members' Report

The board members have pleasure in submitting their report on the annual financial statements of The Society for Industrial and Organisational Psychology of South Africa for the year ended 31 July 2015.

1. Nature of business

The Society for Industrial and Organisational Psychology of South Africa was incorporated in South Africa with interests in the Non-profit industry. The entity operates in South Africa.

There have been no material changes to the nature of the entity's business from the prior year.

2. Review of financial results and activities

The annual financial statements have been prepared in accordance with entity specific reporting framework and the requirements of the entity's constitution. The accounting policies have been applied consistently compared to the prior year.

Full details of the financial position, results of operations and cash flows of the entity are set out in these annual financial statements.

3. Events after the reporting period

The board members are not aware of any material event which occurred after the reporting date and up to the date of this report.

4. Going concern

The board members believe that the entity has adequate financial resources to continue in operation for the foreseeable future and accordingly the annual financial statements have been prepared on a going concern basis. The board members have satisfied themselves that the entity is in a sound financial position and that it has access to sufficient borrowing facilities to meet its foreseeable cash requirements. The board members are not aware of any new material changes that may adversely impact the entity. The board members are also not aware of any material non-compliance with statutory or regulatory requirements or of any pending changes to legislation which may affect the entity.

5. Review

The financial statements are subject to an independent review and have been reviewed by Certified Master Accountants (Proprietary) Limited

Statement of Financial Position as at 31 July 2015

Figures in Rand	Note(s)	2015	2014
Assets			
Non-Current Assets			
Property, plant and equipment	2	22 635	33 951
Intangible assets	3	1	12 362
		22 636	**46 313**
Current Assets			
Trade and other receivables	5	288 005	77 409
Other financial assets	4	1 816 022	2 210 429
Cash and cash equivalents	6	727 024	563 107
		2 831 051	**2 850 945**
Total Assets		**2 853 687**	**2 897 258**
Equity and Liabilities			
Equity			
Share capital		247 368	247 368
Retained income		2 126 188	2 241 497
		2 373 556	**2 488 865**
Liabilities			
Current Liabilities			
Trade and other payables	7	480 131	408 393
Total Equity and Liabilities		**2 853 687**	**2 897 258**

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Statement of Comprehensive Income

Figures in Rand	Note(s)	2015	2014
Conference and Membership fees		2 707 237	1 845 193
Conference and Regional costs		(1 267 711)	(1 262 782)
Gross surplus		**1 439 526**	**582 411**
Operating expenses		(1 669 557)	(1 299 031)
Operating surplus (deficit)		**(230 031)**	**(716 620)**
Investment revenue		114 722	91 177
Fair value adjustments		-	157 735
Surplus (deficit) for the year		**(115 309)**	**(467 708)**
Other comprehensive income		-	-
Total comprehensive surplus (deficit) for the year		**(115 309)**	**(467 708)**

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Statement of Changes in Equity

Figures in Rand	Share capital	Retained income	Total equity
Balance at 01 August 2013	**247 368**	**2 709 205**	**2 956 573**
Deficit for the year	-	(467 708)	(467 708)
Other comprehensive surplus	-	-	-
Total comprehensive deficit for the year	**-**	**(467 708)**	**(467 708)**
Balance at 01 August 2014	**247 368**	**2 241 497**	**2 488 865**
Deficit for the year	-	(115 309)	(115 309)
Other comprehensive surplus	-	-	-
Total comprehensive deficit for the year	**-**	**(115 309)**	**(115 309)**
Balance at 31 July 2015	**247 368**	**2 126 188**	**2 373 556**

Note(s)

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Statement of Cash Flows

Figures in Rand	Note(s)	2015	2014
Cash flows from operating activities			
Cash used in operations	8	(345 212)	(10 059)
Interest income		103 197	74 716
Dividends received		11 525	16 461
Net cash from operating activities		**(230 490)**	**81 118**
Cash flows from investing activities			
Purchase of property, plant and equipment	2	-	(33 950)
Purchase of financial assets		-	(86 894)
Sale of financial assets		394 407	-
Net cash from investing activities		**394 407**	**(120 844)**
Total cash movement for the year		**163 917**	**(39 726)**
Cash at the beginning of the year		563 107	602 833
Total cash at end of the year	6	**727 024**	**563 107**

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Accounting Policies

1. Presentation of annual financial statements

The annual financial statements have been prepared in accordance with the entity specific reporting framework, and the entity's constitution. The annual financial statements have been prepared on the historical cost basis, except for biological assets at fair value less point of sale costs, and incorporate the principal accounting policies set out below. They are presented in South African Rands.

These accounting policies are consistent with the previous period.

1.1 Property, plant and equipment

Property, plant and equipment is carried at cost less accumulated depreciation and accumulated impairment losses.

Cost include costs incurred initially to acquire or construct an item of property, plant and equipment and costs incurred subsequently to add to, replace part of, or service it. If a replacement cost is recognised in the carrying amount of an item of property, plant and equipment, the carrying amount of the replaced part is derecognised.

Depreciation is provided using the straight-line method to write down the cost, less estimated residual value over the useful life of the property, plant and equipment as follows:

Item	Depreciation method	Average useful life
IT equipment	Straight line	3 years

If the major components of an item of property, plant and equipment have significantly different patterns of consumption of economic benefits, the cost of the asset is allocated to its major components and each such component is depreciated separately over its useful life.

Land is not depreciated

The residual value, depreciation method and useful life of each asset are reviewed only where there is an indication that there has been a significant change from the previous estimate.

1.2 Intangible assets

Intangible assets are initially recognised at cost and subsequently at cost less accumulated amortisation and accumulated impairment losses.

Research and development costs are recognised as an expense in the period incurred.

Amortisation is provided to write down the intangible assets, on a straight-line basis, as follows:

Item	Useful life
Computer software, other	3 years

If the company is unable to make a reliable estimate of the useful life of an intangible asset, the life is presumed to be 10 years.

The residual value, amortisation period and amortisation method for intangible assets are reassessed when there is an indication that there is a change from the previous estimate.

1.3 Financial instruments

Financial instruments at amortised cost

These include loans, trade receivables and trade payables. Those debt instruments which meet the criteria in section 11.8(b) of the standard, are subsequently measured at amortised cost using the effective interest method. Debt instruments which are classified as current assets or current liabilities are measured at the undiscounted amount of the cash expected to be received or paid, unless the arrangement effectively constitutes a financing transaction.

At each reporting date, the carrying amounts of assets held in this category are reviewed to determine whether there is any objective evidence of impairment. If there is objective evidence, the recoverable amount is estimated and compared with the carrying amount. If the estimated recoverable amount is lower, the carrying amount is reduced to its estimated recoverable amount, and an impairment loss is recognised immediately in profit or loss.

Accounting Policies

1.4 Revenue

Revenue is recognised to the extent that the company has transferred the significant risks and rewards of ownership of goods to the buyer, or has rendered services under an agreement provided the amount of revenue can be measured reliably and it is probable that economic benefits associated with the transaction will flow to the company. Revenue is measured at the fair value of the consideration received or receivable, excluding sales taxes and discounts.

Interest is recognised, in profit or loss, using the effective interest rate method.

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Notes to the Annual Financial Statements

	2015	2014

2. Property, plant and equipment

	2015			2014		
	Cost	Accumulated depreciation	Carrying value	Cost	Accumulated depreciation	Carrying value
IT equipment	61 184	(38 549)	22 635	61 184	(27 233)	33 951

Reconciliation of property, plant and equipment - 2015

	Opening balance	Depreciation	Total
IT equipment	33 951	(11 316)	22 635

Reconciliation of property, plant and equipment - 2014

	Opening balance	Additions	Total
IT equipment	1	33 950	33 951

3. Intangible assets

	2015			2014		
	Cost	Accumulated amortisation	Carrying value	Cost	Accumulated amortisation	Carrying value
Computer software	189 187	(189 186)	1	189 187	(176 825)	12 362

Reconciliation of intangible assets - 2015

	Opening balance	Amortisation	Total
Computer software	12 362	(12 361)	1

Reconciliation of intangible assets - 2014

	Opening balance	Amortisation	Total
Computer software	86 742	(74 380)	12 362

4. Other financial assets

At amortised cost		
Investment - Stanlib Fund of Funds SA	1 816 022	2 210 429
Current assets		
At amortised cost	1 816 022	2 210 429

5. Trade and other receivables

Trade receivables	288 005	77 409

Notes to the Annual Financial Statements

Figures in Rand	2015	2014

6. Cash and cash equivalents

Cash and cash equivalents consist of:

Bank balances	727 024	563 107

7. Trade and other payables

Trade payables	175 274	226 943
VAT	14 139	143 850
Accrued audit fees	14 080	37 600
Provision for EXPO expenses	276 638	-
	480 131	**408 393**

8. Cash used in operations

Surplus (deficit) before taxation	(115 309)	(467 708)
Adjustments for:		
Depreciation and amortisation	23 678	74 379
Dividends received	(11 525)	(16 461)
Interest received	(103 197)	(74 716)
Fair value adjustments	-	(157 735)
Changes in working capital:		
Trade and other receivables	(210 596)	1 030 422
Trade and other payables	71 737	(398 240)
	(345 212)	**(10 059)**

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Detailed Income Statement

Figures in Rand	Note(s)	2015	2014
Revenue			
Conference and events		2 191 379	1 396 348
Sundry revenue		515 858	448 845
		2 707 237	**1 845 193**
Conference and Regional costs		(1 267 711)	(1 262 782)
Gross surplus		**1 439 526**	**582 411**
Other income			
Dividends received		11 525	16 461
Interest received		103 197	74 716
Fair value adjustments		-	157 735
		114 722	**248 912**
Operating expenses			
Accounting fees		(64 334)	(20 160)
Administration and management fees		(162 024)	(147 516)
Advertising		-	(22 440)
Bank charges		(16 159)	(11 224)
Cartage		(185 382)	(124 567)
Cleaning		(1 223)	-
Computer expenses		(169 291)	(59 119)
Consumables		(10 000)	(175)
Depreciation		(23 678)	(74 379)
Employee costs		(745 307)	(663 535)
Entertainment		(11 660)	(9 568)
Insurance		(2 741)	(2 194)
Lease rentals on operating lease		(172 206)	(107 876)
Postage		(336)	(513)
Printing and stationery		(26 513)	(11 291)
Reviewers remuneration		(14 080)	(12 800)
SARS - penalties and interest		(20 602)	(6 249)
Subscriptions		(12 603)	(9 804)
Telephone and fax		(21 118)	(15 621)
Training		(10 300)	-
		(1 669 557)	**(1 299 031)**
Surplus (deficit) for the year		**(115 309)**	**(467 708)**

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